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UNCLAS LILONGWE 001073

SIPDIS

HARARE FOR DAO
TREASURY FOR OASIA/MDM J.FRANCO
STATE FOR EB/IFD/OMA L. GALLAGHER

E.O. 12958: N/A

TAGS: [EFIN](#) [EAID](#) [MASS](#) [MARR](#) [MI](#) [BUD](#) [FIN](#)

SUBJECT: MALAWI: TRANSPARENCY OF BUDGETS/MILITARY SPENDING

REF: SECSTATE 239929

1. General Overview of Auditing Procedures:

With an instituted public finance act of Parliament, Malawi's military expenditures are audited by the Auditor General, as is the case with all other Government institutions. Audit reports are circulated to relevant civilian ministries: Defense, Finance and the Office of the President and Cabinet. Access to some military audit information may sometimes be limited due to military security; this is most frequently true of intelligence activities. Though security has been used to cover malfeasance, it is thought that these instances are rare.

2. Military Budget, On- and Off-Budget Revenues and Expenses: Malawi's defense budget is separate from that of the security forces. The country's security force falls under the Ministry of Home Affairs, which has its own budget allocation. Embassy knows of no special off-budget receipts.

3. Military Component of the National Budget: The National Assembly debates and approves proposed budgets. The military budget is in two parts: 1) development, and 2) recurrent and other transactions. The development budget covers capital expenditures such as new infrastructure. The recurrent and other transactions budget covers all operational expenses. Ministry of Finance monitors the military budget execution on a monthly basis.

GILMOUR